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ECONOMIC COMMISSION FOR AFRICA

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Item 6 of the provisional agenda**

REPORT OF THE EIGHTH MEETING OF THE CONFERENCE OF AFRICAN MINISTERS OF INDUSTRY 1/

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INTRODUCTION

1. The Eighth Conference of African Ministers of Industry, jointly organized by the United Nations Economic Commission for Africa (ECA), the Organization of African Unity (OAU), the United Nations Industrial Development Organization (UNIDO) and the Government of Burundi, was held at Bujumbura, Burundi, from 17-19 September 1986.

2. The purpose of the Conference of Ministers was to review, on the basis of the report of the preceding meeting of Intergovernmental Experts, progress towards the industrialization of the African countries, with particular emphasis on the implementation of the programme for the Industrial Development Decade for Africa (IDDA) and the role of industry in the economic recovery and development of Africa. The Ministers would study the proposals put forward in that report and decide on measures to be taken by Member States, intergovernmental organizations and the international community at large for accelerating the implementation of the programme for the Decade and the OAU and United Nations recovery programmes for Africa.

I. PARTICIPATION

3. The following countries were represented at the Conference: Algeria, Angola, Benin, Burkina Faso, Burundi, Cameroon, Congo, Côte d'Ivoire, Egypt, Ethiopia, Gambia, Ghana, Guinea, Kenya, Lesotho, Libyan Arab Jamahiriya, Malawi, Mali, Mauritania, Niger, Nigeria, Rwanda, Saharawi Arab Democratic Republic, Senegal, Sudan, United Republic of Tanzania, Togo, Tunisia, Uganda, Zaire, Zambia and Zimbabwe. The representatives of the following organizations also participated: African Development Bank (ADB), African Regional Centre for Engineering Design and Manufacturing (ARCEDEM), Association of African Development Finance Institutions (AADFI), Arab Industrial Development Organization (AIDO), African Regional Organization for Standardization (ARSO), Central African Customs and Economic Union (UDEAC), Economic Community of the Great Lakes Countries (CEPGL), Economic Community of Central African States (ECCAS), Economic Community of West African States (ECOWAS), East African Development Bank (EADB), Eastern and Southern African Trade and Development Bank (ESATDB), European Economic Community (EEC), Food and Agriculture Organization of the United Nations (FAO), Metallurgical Project Engineering and Consulting Company (MpM), International Centre for Public Enterprises (ICPE), International Labour Organisation (ILO), International Trade Centre (ITC), Pan African Telecommunications Union (PATU), Preferential Trade Area for Eastern and Southern African States (PTA), Société Nationale des Entreprises Publiques Industrielles (SONEPI), Union of African Railways (UAR), United Nations Development Programme (UNDP), United Nations Educational, Scientific and Cultural Organization (UNESCO), United States Agency for International Development (USAID), World Assembly of Small and Medium Enterprises (WASME), the World Bank (IBRD), and the World Health Organization (WHO).

II. Agenda item 1: OPENING OF THE CONFERENCE

4. The Conference was formally opened by the Honourable Mr Emile Mworoha, President of the National Assembly and Secretary-General of the Uprona Party, who addressed the Conference on behalf of H.E. Mr Jean-Baptiste Bagaza, President of the Republic of Burundi. He extended a warm welcome to the Ministers and other participants on behalf of the President, Government and people of Burundi, who deemed it a singular honour to host the Conference which reflected the importance his country attached to intra-African co-operation.

5. Recalling the Seventh Conference of African Ministers of Industry, which had reviewed progress towards the implementation of the programme for the Decade and prepared an African Common Position for the Fourth General Conference of UNIDO, he was aware of the important task confronting the present Conference. The importance of the Conference was heightened by the acute economic crisis and the general lack of prosperity in Africa. Over the past ten years, the region had witnessed a drop in production, a rise in inflation and a marked deterioration in the balance of trade. In the period 1973-1983, Africa's debt had risen sixfold and currently debt servicing consumed 50 per cent of the region's export revenue. The causes of the current crisis were both exogenous and endogenous. Among the former were the current world recession marked by a drop in commodity prices, an increase in interest rates, a slowdown in official development aid and an upsurge in protectionism, as well as the effects of natural disasters, such as drought and famine. Imbalances in certain national policies had contributed to the economic decline, as had the lack of skills and the problems associated with structural adjustment.

6. If Africa was to achieve self-reliant and self-sustaining development, it would have to rehabilitate the agricultural sector, increase food production and reduce the debt burden. Major efforts were required, and Africa's undertaking to provide two-thirds of the resources needed to launch the United Nations Programme for Africa's Economic Recovery and Development was clear evidence of the region's commitment.

7. The narrowness of domestic markets and low productivity made international co-operation necessary. He underscored the importance of regional and subregional co-operation as a means of helping to check economic decline. Although it might be premature to speak of an African Economic Community as such, the strengthening of subregional communities was essential as a first step towards an African common market. Equally essential was a climate of political understanding and peace. He thus roundly condemned the destabilizing influence of the apartheid policies of South Africa and reaffirmed the financial, material and moral support of OAU Member States for the frontline States. He also appealed to the international community to assist in bringing apartheid to an end.

8. He commended the countries of the region for their immense efforts to incorporate the objectives of both the Lagos Plan of Action and the IDDA in their national development plans. He pointed out, however, that African industries were not only inadequate, but also ill-adapted. The industrial development objectives of the eighties should be founded on rehabilitation and

restructuring in an endeavour to combat under-utilization of installed capacity. Industry should be designed to reduce imports, make greater use of local raw materials and ensure effective complementarity. Any reorientation of that magnitude inevitably incurred difficulties but, in the case of Africa, such a move had to take precedence in an attempt to overcome the problems besetting the region. He underscored the importance of the agenda of the Conference since it treated matters of particular significance to the region, and he concluded by reaffirming his country's commitment to international co-operation.

9. In his statement, Mr Domingo L. Siazon, Jr., Director-General of UNIDO, expressed his sincere gratitude to the President, Government and people of Burundi for their cordial welcome and generous hospitality. At a time when strict austerity measures held sway throughout the world, the decision of the Government of Burundi to host the meetings bore testimony to the country's commitment to industrial development and co-operation. Similarly, the presence of so many Ministers was a clear manifestation of the importance they attached to the industrialization of the region and the programme for the Industrial Development Decade for Africa. He also extended his personal thanks to the other co-sponsoring organizations - ECA and OAU - for their excellent co-operation and the amicable working relationship that existed between the three secretariats.

10. The current crisis exposed the fragility of the economic structure of Africa. Despite their abundant natural resources and great industrial potential, most African countries had small populations and low levels of income which limited the attainment of economies of scale in many branches of industry. Those limitations underscored the critical importance of intra-African industrial co-operation at both regional and subregional levels, and the development of integrated macro-economic policies within the region.

11. The recently adopted United Nations Programme of Action for Africa's Economic Recovery and Development accorded the highest priority to agriculture. It also lent particular emphasis to other sectors that support agricultural and rural development, especially industry. The linkage between agriculture and industry was particularly important. For example, in an average developed country, industry contributed at least 50 per cent of the direct inputs and 25 per cent of the indirect inputs to agriculture. In the final analysis, industry determined the success or failure not only of agriculture but also of all other economic activities, thereby laying a firm foundation for a lasting solution to the economic crisis in Africa.

12. Unless steps were taken by African countries to speed up their industrial transformation, the region's limited foreign exchange resources would be drained and the external debt problem aggravated further. A striking structural feature was that most of the region's foreign exchange resources had been utilized for projects which did not directly generate capital, increase employment, or develop technological and manpower capabilities. In 1982, for example, more than $62 billion (about 47 per cent of the region's total debt) had been spent on importing major industrial commodities which could in fact have been produced within the region. The solution lay in improving local industrial capacity.

13. The new UNIDO would continue to accord high priority to its technical co-operation activities in Africa, the volume of which had peaked in 1985 at $37.2 million. Since most of that assistance was financed through UNDP country programmes, Governments would be able to determine whether UNIDO could in fact maintain that high level of technical assistance delivery. He hoped Governments would support the programmes and projects UNIDO had proposed for financing from the regional IPF. He also encouraged Governments to draw on the services of UNIDO in the execution of the technical assistance component of the restructuring and readjustment loans provided by the World Bank and other multilateral or bilateral institutions. Although UNIDO had promoted investments of $54 million and $123 million in each of the past two years, they were but a small contribution to the total of some $140 billion of new investments that would be needed to implement the programme for the Decade alone. At the same time, Governments should accord high priority to industry in their allocation of national resources. The question of financial resources was a burning issue that deserved the special attention of the Conference. For its part, UNIDO co-operated closely with African development financing institutions in an attempt to tap new sources of domestic and external investment and so contribute to the modernization, diversification and rehabilitation of African industry.

14. The Director-General reaffirmed the commitment of UNIDO to contribute to alleviating the critical economic crisis in Africa. The modest start that had been made by allocating $8.6 million to the Decade in the current programme budget might well prove difficult to repeat in the coming biennium. In anticipation of that happening, he was already working on the establishment of a special fund for Africa to be financed from voluntary contributions.

15. He thanked the African countries for the constant support it had lent to UNIDO in its efforts to serve the region. Their continued support in the various policy-making bodies of the Organization would ensure that the special needs of Africa were duly reflected in the policies and priorities of UNIDO. In the final analysis, it was Africa that had to continue its bitter struggle to develop. It would have to adopt the necessary policies and attitudes that would allow it to mobilize fully its abundant human and natural resources to the benefit of its own peoples. He was confident, however, that the countries of Africa would overcome the crisis, thus permitting the region to take up its rightful place as an equal partner in global negotiations and assert its credibility in the family of nations.

16. In his statement, Mr M.L. Allouane, Assistant Secretary-General of the OAU, expressed his gratitude to the people and Government of Burundi. He described the difficulties besetting the industries of Africa such as under-utilization of capacity and the lack of foreign currency needed to import essential factor inputs. Those difficulties had been compounded by the prolonged drought, the debt burden and the destabilizing policies of the despicable regime of South Africa. As emphasized in the Lagos Plan of Action, the situation called for new policies and strategies. The outcome of the present Conference should offer a clear response to the issues facing the continent. However, he cautioned that the achievement of the quantitative target set in that Plan of Action for the share of Africa in total world industrial production did not of itself imply an overall improvement in industrial performance, nor should it be allowed to constrain industrial development.

17. The programme for the Decade had provided for a fundamental change in the approach to industrialization in Africa. The emphasis it placed on the development of core resource-based industries tied in with the focus set in the economic recovery programmes adopted by the OAU and the United Nations. However, it was essential to establish the degree to which the programme for the Decade had in fact led to the establishment of new projects. It would serve no good purpose if a review of the impact of the programme for the Decade were to reveal merely a tally of meetings held and studies made, rather than effective industrial projects.

18. The success of the programme for the Decade hinged to a large degree upon the actions of African Governments and various organizations and their commitment to implementing the projects and plans they had proposed and adopted on earlier occasions. Industrialization in Africa would also be enhanced by South-South co-operation, as Africa could draw to good effect on the experience of Latin American and Asian countries in the identification, elaboration and execution of projects. While hoping that the negative attitude of certain industrialized countries would not prevail, the possibility of such an occurrence made it all the more important for Africa to develop its own resources, and define a collective industrial development plan based on self-reliance.

19. The international organizations had an important role to play and his Organization had appealed to both ECA and UNIDO, with whom his Organization enjoyed close and fruitful co-operation, for an increase in their resources so as to ensure the effective implementation of the programme for the Decade and bring about long-term structural change. He reaffirmed the commitment of OAU to assist in effecting that change.

20. The Deputy Executive Secretary of ECA, Mr M. Tchoute-Moussa, first thanked the Government of Burundi for having organized the Eighth Conference and for the facilities and generous hospitality provided. He informed the Conference that Professor Adedeji, Executive Secretary, had not been able to attend the Conference, as he had wished. He was currently at the United Nations headquarcers in New York working on the mechanisms set up by the United Nations Secretary-General for the follow-up to the United Nations Programme of Action for Africa's Economic Recovery and Development that had been adopted by the General Assembly at its thirteenth special session.

21. He stressed the importance of the present Conference as it provided an opportunity to assess the achievements of the recently completed preparatory phase of the Industrial Development Decade for Africa. It would also permit a detailed review of the role that the industrial sector had to play in the implementation of Africa's Priority Programme for Economic Recovery 1986-1990 and the United Nations Programme of Action for Africa's Economic Recovery and Development.

22. In his assessment of the Decade, the Deputy Executive Secretary pointed out that the escalating crisis which engulfed most African countries had, no doubt, hampered the efforts of African countries in the implementation of the programme for the Decade. That crisis has been compounded by the worsening terms of trade, high indebtedness and decreasing concessional financing. Implementation of the programme had also been greatly constrained by worsening

climatic conditions, with severe drought and encroaching desertification, which led many countries to give high priority to coping with the resultant food crisis.

23. African countries had therefore not been able to implement fully the activities planned for the preparatory phase of the Decade, although many had made substantial progress in diversifying their industrial base. Moreover, the organizations in charge of the follow-up to the Decade had not been provided with adequate resources for their activities in support of Member States. This was particularly true for the ECA which had had to rely exclusively on its normal regular budget allocations and some bilateral extrabudgetary resources.

24. With respect to the second phase of the Decade, the Deputy Executive Secretary of ECA stressed the need to increase the mobilization of financial resources for the implementation of the projects identified. In that regard, he urged African countries to take the necessary measures to launch the operations of the African Industrial Development Fund as soon as possible.

25. The Deputy Executive Secretary also highlighted the role of the industrial sector in the economic recovery and development of Africa as outlined in Africa's Priority Programme for Economic Recovery 1986-1990 and the United Nations Programme of Action for Africa's Economic Recovery and Development. He emphasized the short-, medium- and long-term measures that were prescribed in those programmes: the restructuring of the industrial sector; the rehabilitation of existing vital industries; and the development at the national and subregional levels of basic industries, especially those directly supporting agriculture, such as the chemical, metallurgical and agricultural machinery industries.

26. The Deputy Executive Secretary stressed the need for the Conference to review the actions required in the above areas within the context of the mechanisms set up in both the OAU and United Nations programmes for Africa. In that regard, he informed the Conference that the Secretary-General of the United Nations had established at its headquarters a Steering Committee, chaired by the Director-General for Development and International Economic Co-operation, with the Executive Secretary of ECA as its Vice-Chairman.

27. In conclusion, the Deputy Executive Secretary called attention to the preparation of the fourth UNDP programming cycle and to the industrial projects which would be on the agenda of the special meeting of the ECA Conference of Ministers in October 1986. He also stressed the need to review the role that the new UNIDO would have to play in support of the industrial development of Africa, especially in view of the forthcoming Second General Conference of UNIDO. He reaffirmed the readiness of ECA to strengthen further its co-operation with both OAU and UNIDO in the implementation of the IDDA.

28. The outgoing Chairman of the Seventh Conference of African Ministers of Industry, H.E. Mr Jameson K.H. Kaleluka of Zambia, expressed his heartfelt thanks to the people and Government of Burundi for the traditional warm reception and hospitality accorded to the delegates. He reminded his fellow Ministers and those responsible for the industrialization of the continent of the objectives of the Conference and underscored the importance of developing the industrial sector from within and on the basis of self-reliance and self-sustainment.

29. Over the past few years countries, assisted by global studies undertaken by ECA, had been aligning their plans and programmes to the objectives of the Decade, and he was confident of the long-term success of the programme. That process of alignment, however, had been beset by the inordinate problems facing the region, such as the drought, high interest rates and unfavourable terms of trade. The recent special session of the General Assembly of the United Nations had reaffirmed the importance of increasing food production and promoting industries that processed agricultural products and provided inputs to that sector. Given time, peace and international support, Africa would be able to address those objectives which, however, were currently threatened by the oppressive destabilizing policies of South Africa and the support they currently enjoyed in certain quarters. The negative effects of the current economic environment and initial setbacks, however, should not discourage Member States in their attempts to fulfil the aims and objectives of the Decade which could be furthered by a decision to proclaim a second Decade.

30. H.E. Mr Edouard A. Noumazalayi, Minister of Industry and Fisheries of the Congo, delivered a message to the Conference from the current Chairman of the OAU, President Denis Sassou Nguesso. He extended the Chairman's sincere thanks to the President and Government of Burundi for hosting the Conference, the conclusion of which would be assured the full support of the OAU.

31. The Conference, which had brought together the most competent and experienced experts in Africa, was to lay down new guidelines for future action based on the principles contained in the Lagos Plan of Action. He urged the Ministers to commit themselves to realizing the main objectives of the Lagos Plan of Action. It was essential to ensure self-sufficiency in food production within a reasonable period of time and over the next twenty years to solve the main problems besetting the region through clearcut policies in favour of agriculture and supporting industry.

32. It was essential to establish effective co-operation between the countries of Africa and establish closer economic links not only between themselves but also with other developing countries in the South, as well as with the industrialized countries of the North. The Lagos Plan of Action had set the perspective for the next twenty years. Within that context, industry should develop on the basis of complementarity and regional co-operation. Industry should be closely linked with natural resources and oriented towards solving food shortages and promoting agricultural development, though not to the exclusion of all other sectors. Particular attention should also be devoted to selecting technologies so as to break dependence on externally induced factors, while consideration should also be given to alleviating the problems of external indebtedness and apartheid, which distracted Africa from the path of development. He reaffirmed the support of the OAU for the frontline States in their struggle against apartheid and appealed to all African countries to work together towards the socio-economic emancipation of the region.

33. A formal vote of thanks on behalf of the Ministers was extended by Mr B. Enui Koutoua of the Côte d'Ivoire to the President, Government and people of Burundi for having accepted to host the Conference. He greatly appreciated the fraternal reception that had been extended to all participants in the Conference. He was convinced that the success of the Conference would be in no small measure due to the excellent facilities provided by the Government of Burundi.

III. Agenda item 2: ELECTION OF OFFICERS

34. Burundi was elected to the office of Chairman, the Congo to that of First Vice-Chairman, Côte d'Ivoire to that of Second Vice-Chairman, Kenya to that of Third Vice-Chairman, and Lesotho to that of Rapporteur.

IV. Agenda item 3: ADOPTION OF AGENDA AND ORGANIZATION OF WORK

35. The agenda (see Annex I) was adopted unanimously. It was also agreed to hold all discussions in plenary, and it was decided that all delegates present could participate fully in the Conference.

V. Agenda item 4: STATEMENTS BY HEADS OF DELEGATIONS

36. The Heads of all delegations expressed their sincere gratitude to the Government and people of Burundi for accepting to host the Eighth Conference of African Ministers of Industry. They also commended ECA, OAU and UNIDO for the lengths to which they had gone in preparing the Conference, and thanked them for all the assistance they had rendered to the region in support of its industrialization endeavours. They also congratulated the Chairman and the other members of the Bureau on their election.

Côte d'Ivoire

37. The Honourable Minister of Industry of the Côte d'Ivoire pointed to the continuation of the global economic crisis which had been exacerbated by the region's own difficulties. Although Africa had undertaken to fund a large portion of its own recovery programme, international aid was still an essential component in development. His country fully supported activities related to the Decade since it was convinced that once an effective agricultural sector had been assured, industry could be established to process primary raw materials and increase national value added. He noted with interest the marked convergence between the conclusions submitted to the present Conference and the policies of his own country.

38. The Côte d'Ivoire had long embarked on the path set out in the programme for the Decade. As an active member of CEAO and ECOWAS, it fully supported strengthening intra-African industrial co-operation. His country recognized the valuable contribution that non-governmental organizations could make to industrial development and to small-scale industries in particular. South-South co-operation also offered an effective and appropriate solution to industrial problems. His country had also taken steps to increase the participation of women in industrial development. He went on to outline the difficulties facing industry in his own country which were clearly similar to those in other African countries. Initially, industry had been over-protected and oriented towards the domestic market. In order to regain viability, a new investment code, export subsidy schemes and other measures had been introduced. An industrial master plan was being prepared, with the assistance of UNDP and UNIDO, which would define the basic areas of development - agro-food industries and core industries, as well as the necessary support services. That plan would take account of the objectives of the Decade, and the industrial development of the country would also be based on strengthening subregional co-operation.

Uganda

39. The Honourable Minister of Industry and Technology of Uganda described the economic realities of Africa which were hindering development in the industrial sector. He reviewed the current economic situation in his own country and highlighted measures Uganda had taken under its new Government to develop its industrial sector in keeping with the objectives of the programme for the Decade.

40. Uganda had been one of the first countries to set up a national co-ordinating committee and, with the assistance of UNIDO, it had also organized a national workshop on the Decade. Subsequent political events, however, had disrupted industrialization plans. The National Resistance Movement was determined to correct the situation and a ten-point programme had been adopted with the declared intention of building up an independent, integrated and self-sustaining economy. That programme emphasized the maximization of linkages within industry, as well as between industry, mining and agriculture. At the subregional and regional levels, Uganda was vigorously pursuing a policy of close co-operation with its neighbours and beyond. To that end, an understanding had been reached with Kenya to allow unrestricted movement of rolling stock between Kampala and Mombasa, thus greatly facilitating the flow of goods between the two countries. He also mentioned Uganda's participation in such regional groupings as PTA and the Kagera River Basin Authority (OBK).

Nigeria

41. The Honourable Minister of Industries of Nigeria described the effect that the current global recession had on the region with its fragile economic base. The performance of industry which had long been recognized as the main engine for growth has been most unsatisfactory. African still faced the same dilemna and difficulties that had confronted it at the Conference two years previous. He reminded the Conference that the major plank of the programme for the Decade was to lay the foundation for a phased development of basic industries which were essential for self-reliant and self-sustained development.

42. The main thrust of the measures taken by Nigeria to implement the programme for the Decade during the preparatory phase had been to set up a national co-ordinating committee that provided overall guidance on the formulation, promotion, implementation and monitoring of the Decade. In the face of the global economic recession which, in the case of Nigeria, had been aggravated by the weakening of oil the market, the Government, on the advice of that national co-ordinating committee, had decided to restructure the country's industry, broadening its resource base and increasing the degree of self-reliance. The restructuring exercise was being carried out in consultation with the organized private sector, which accounted for 70 per cent of output, with the Government adopting an essentially supportive role in the transformation process. Despite the severe financial constraints, every effort was being made to establish core industries. The Minister also highlighted Nigeria's endeavours to promote intra-African co-operation, especially through subregional economic groupings such as ECOWAS to which his country was committed. His country continued to support African regional

organizations, particularly those with headquarters in Nigeria, such as ARCEDEM to which it had provided $7.5 million for the capital development of the Centre. He pointed out that the presence of a Senior Industrial Development Field Adviser in Nigeria would contribute significantly to the impact of the assistance provided by UNIDO.

Senegal

43. The Honourable Minister for Industrial Development of Senegal pointed out that, although Africa's Priority Programme for Economic Recovery and Development had placed priority on agriculture, the significant role played by industry had also been recognized. In fact, the transformation of agriculture was inconceivable without a strong linkage between agriculture and industry.

44. He commended the intergovernmental experts on their conclusions, in particular those urging intensified efforts to implement the programme for the Decade, an increase in technical assistance and financial investment, as well as action in respect of the African Industrial Development Fund (AIDF). He was also in full favour of carrying out a mid-term appraisal of the programme for the Decade. He congratulated the Director-General on his election and expressed his full support for UNIDO and the new approach it was adopting. He suggested that the Organization should increase still further its assistance to African countries, establish closer links with Ministries of Planning, increase general awareness of its technological and industrial information activities, and publicize its pre-investment study capabilities more widely. The next General Conference of UNIDO might profitably review the Organizations' contribution to such items as the restructuring and rehabilitation of African industry, training, financing and institutional arrangements. He also felt that the financing of the programme of the Decade would be more appropriately included under the operational (as opposed to the regular) budget of UNIDO.

Ghana

45. The PNDC Secretary for Industries, Science and Technology of Ghana stated that rather than demoralizing Africans into inaction, the present state of the region had engendered a new mood of determination. The Lagos Plan of Action and the programme for the Decade, both of which attempted to address the major problem of inadequacies, offered ample evidence of the challenge before the Conference.

46. Ghana had drawn up an Economic Recovery Programme (1984-1986) to address certain imbalances and distortions in the economy. The revival of the industry sector was an all important element in the country's economic recovery programme. Preliminary data indicated that industry had grown by 13.7 per cent in 1985 as against 2.9 per cent for agriculture and 5.0 per cent for services. In the short term, more resources would be made available to efficient priority industries that could make an immediate supply response. In the medium term, potentially viable industries enjoying comparative advantage would be rehabilitated, while in the long term Ghana hoped to achieve a local resource-based industrial structure that could secure higher export earnings. He described current developments and realignments in industrial subsectors with the greatest linkage potential, such as fruit and

vegetable processing, metal and foundry industries, building materials, clothing, chemical and forest products industry, as well as energy. Ghana also recognized the importance of small-scale industries to industrial growth and had established a national board which, with the assistance of the World Bank, had initiated a programme for entrepreneurial development. The country's Export Promotion Council was currently being reorganized and associated reforms were being introduced. The first Ghana Industry and Technology Fair held in March 1986 had met with a good response and led to firm export orders. The possibility of reducing state intervention in industry to a minimum was being mooted. A positive climate for private investment was being created to promote the funding of priority sectors and an aid co-ordination meeting had been held in London in May 1986.

Algeria

47. The Minister of Light Industries of Algeria described his country's endeavours to establish an industrial base that served the development requirements of the country and satisfied the basic needs of its population. Two five-year development plans in the current decade had emphasized such features as restructuring and rehabilitation of public enterprises, intersectoral linkages, reactivation of subcontracting and the establishment of engineering and other skills. Industry currently accounted for 15 per cent of GDP.

48. Africa, he noted, was particularly susceptible to the effects of the current economic crisis. If it was to survive demands of an increasingly competitive world, it would have to pool its limited resources. It was apparent that a second, if not several, decades would be needed for Africa to acquire the solid self-reliant industrial base envisaged in the Lagos Plan of Action. Emphasis should be lent to South-South co-operation and, in particular, to intra-African co-operation. Industrial policies should be co-ordinated so as to ensure complementarity, avoid duplication and establish viable markets. Similarly, it was essential for African countries to co-operate in the field of training, research and technical support services. Nothing was to be gained by creating institutions in individual countries, when one or two could serve the region at large. Any industries established should be dynamic and able to compete. In Africa, moreover, the main share of industrial investment should be initiated by States as they alone were capable of mobilizing the capital needed. He underlined the need to step up UNIDO assistance to the region, in particular to the least developed countries.

Libyan Arab Jamahiriya

49. The Head of the delegation of the Libyan Arab Jamahiriya described the particular importance that his country attached to implementing the programme for the Decade. In the Libyan Arab Jamahiriya, industry played a vital role in national economic development, providing increased employment opportunities and better opportunities for human resource development. It was a sector with a high level of investment, as evidenced by the large number of new industries established in such areas as food-processing, petrochemicals, building materials, metallurgical and engineering industries, textiles and leather, and wood-processing. Particular emphasis was also placed on rehabilitating existing industries, and his country had launched into large-scale production of such petrochemical derivatives as ammonia, urea and ethanol.

50. The level of industrialization was primarily governed by developments at the national level, but particular benefit could also be derived from joint ventures. The Libyan Arab Jamahiriya could point to successful co-operation with other countries in such varied fields as agriculture, industry, tourism and fisheries, which might serve as models for others.

Angola

51. The Honourable Minister of Industry of Angola underscored the contribution that industry had made to the structural development and autonomy of Africa. The close link between industry and agriculture was also an essential component in the drive to overcome the problems of hunger in the region. The second phase of the programme for the Decade would permit an extensive restructuring of industry in Africa, establishing a close link between industrial production and local resources, thus helping to meet basic needs and stimulate growth in other sectors. In his own country, the growth in GDP had slumped badly on account of the current unfavourable international situation and the war of aggression waged by South Africa. He also stated that Angola had not benefited greatly from development assistance.

52. In December 1985, his country had defined the principle objectives of the industrial sector only to have been negatively affected by the drop in oil revenues. Emphasis currently lay on the rehabilitation and maintenance of existing plants and on integrating industry, agriculture and trade in an endeavour to promote local agricultural production and reduce external dependence. The mining industry would also play an important role. Endeavours would also be made to maintain equipment and structures essential to the economy; to produce goods for export that would not incur foreign exchange expenditures; to introduce laws conducive to foreign investment; to ensure the supply of basic goods to the people; and by training nationals, to reduce the foreign workforce. Close co-operation with other developing countries and the understanding of the industrialized countries were essential to achieving those aims and breaking away from under-development.

Kenya

53. The Honourable Assistant Minister for Commerce and Industry of Kenya expressed the hope that the Conference would put forward concrete proposals for enhancing the pace of economic and social development in Africa. He reviewed the economic problems faced by the region, particularly those with a direct bearing on industrialization, such as the overall drop in per capita incomes, the region's dwindling share in world trade, its balance of payments problems and heavy foreign debt burden. Africa's Priority Programme for Economic Recovery (1986-1990) and the implementation phase of the Decade (1985-1990), though synchronous, were not synonomous. His Government was paying particular attention to the programme for the Decade and had incorporated the recommended short- and medium-term measures in its current Fifth Development Plan (1984-1985). The objectives of the programme had also been elaborated upon in a recently published sessional paper on economic management for renewed growth. The Minister described the industrial subsectors that had been given prominence in Kenya's development plan, the basic philosophy being to foster a modern entrepreneurial society with a growing indigenous share in the ownership of productive resources.

54. Mention was made of the support and understanding for Kenya's development on the part of the donor community, private investors and regional partners, as well as of the extensive assistance provided by UNIDO which had resulted in the completion of some 800 investment project proposals. He expressed his country's full support for UNIDO in its new capacity as a specialized agency.

Egypt

55. The Head of the Egyptian delegation drew the attention of the Conference to the benefit to be derived from co-operation with other developing countries, as evidenced by the joint ventures between Egypt and Zambia and the Sudan. He also attached particular importance to the completion of an industrial map of Africa which could serve as a basis for planning the industrialization of the region.

56. He reaffirmed his country's willingness to shoulder its responsibility in Africa and offered technical assistance through a special fund to other African countries in the field of feasibility studies, training, and the operation of plants in such sectors as iron and steel, textiles and pharmaceuticals.

Zimbabwe

57. The Honourable Minister of Industry and Technology of Zimbabwe underscored the seriousness of the current economic crisis in Africa. One feature of the grave situation was the failure of the manufacturing sector to show any progress within the overall economy. It still contributed less than 10 per cent of the region's GDP and had not developed the necessary linkages with other sectors such as agriculture. The proclamation of the IDDA had represented a desire to improve the situation. However, most of the solutions that had been suggested for re-launching Africa's industrial development, whether they were proposals to concentrate on agro-industries and small-scale industries or to adopt a more integrated approach, had been based on the philosophy of comparative advantage. Whereas comparative cost theory was a sound philosophy for the international division of labour in the long-term, it was inapplicable to Africa at the present juncture. No country had industrialized by accepting the theory of comparative cost during its early stages of development. The current trend towards market-oriented policies should therefore be pursued with caution. Ideological considerations aside, the majority of African economies were at a stage where some degree of intervention by the State was necessary. Needless to say, the relative roles of market forces and state intervention would differ in each Member State and it was the prerogative of each Member State to define its optimal mix of policies. However, standard solutions or prescriptions, supposedly applicable to all countries, could not provide the answer.

58. Further to the practical problems faced by Africa in its industrialization endeavours, the difficulties of industrialization and overall economic development in Southern Africa were compounded by the apartheid regime of South Africa. Essentially a political problem, it bore serious economic implications for the region as a whole.

Ethiopia

59. The Vice Minister of Development of Ethiopia informed the meeting that in its current Ten-year Perspective Plan, Ethiopia accorded high priority to industrial development, second only to agriculture. The main emphasis of that Plan lay on the development of industries catering for the basic needs of the population on the one hand, and the laying of a foundation for self-reliant development on the other. Measures were thus being taken to expand the manufacturing capacity of the food-processing, textiles and building materials industries. Concrete projects were already being implemented in those areas, while light manufacturing continued to be an area of primary focus.

60. Particular attention was also being paid to those strategic industries which in the long term would bring about the rapid and self-reliant industrialization of the country. Among the projects at an advanced stage of preparation and implementation were: basic chemical industries, metallurgical industries, engineering industries for the production of spare parts, water pumps, electrical machinery and appliances, industrial equipment as well as agricultural machinery and implements. Those projects would enhance the linkages between industry and other sectors of the economy, particularly agriculture. Ethiopia's Perspective Plan was closely synchronized with the objectives of the IDDA, and as such the Government of Ethiopia was confident that the programme for the Decade would be substantially implemented over the next five years.

Rwanda

61. The Honourable Minister of Planning of Rwanda stressed the need for an industrial map of Africa and the importance of regional and subregional co-operation as evidenced by his country's membership in CEPGL, the PTA for Eastern and Southern Africa, ECCAS and the Kagera River Basin Authority (OBK). Given the current lack of resources, it was essential for the Conference to review and reset priorities at the regional, subregional and national levels to permit concerted action in keeping with the programme for the Decade and to ensure the emergence of Africa from the crisis. At the national level, Rwanda had established, as recommended in the programme for the Decade, a national co-ordinating committee for industry. Priority projects had been included in the Third National, Economic and Social Development Plan (1982-1986) and others were projected for the next planned period which almost coincided with the end of the Decade. Rwanda received assistance from international bodies such as UNIDO and CDI and the industrialized countries to promote its project proposals. He welcomed the investment promotion fora organized by UNIDO which, together with Solidarity meetings, strengthened international co-operation. UNIDO had recently helped Rwanda to draw up an industrial strategy covering the next 20 years. Emphasis was also being placed on the promotion of small- and medium-scale industries and the mobilization of local resources, including the establishment of a development bank and a special guarantee fund. Steps had also been taken to introduce extensive training in an attempt to secure, in the long-term, the skills the country required.

Cameroon

62. The Honourable Secretary of State, Ministry of Commerce and Industry, of Cameroon emphasized the role of industry in the socio-economic development of Africa, particularly the importance of its linkage with the other sectors of the economy. He emphasized the role of the programme for the Decade in the achievement of the region's development objectives, since it contributed to enhancing the efficiency of Africa's production and distribution capacities, as well as to improving economic and technical co-operation. He also reported that with the assistance of UNIDO, his country had embarked upon the preparation of an industrial master plan which, when completed, would serve as a basis for future industrial development and co-operation.

63. The Secretary of State called on all countries to pool their efforts and co-operate so as to ensure that the present Decade came to a successful end. He supported the experts' conclusion about the possibility of extending the present Decade to a second phase, so as to ensure the creation of the industrial base essential to viable socio-economic development.

Burundi

64. The Minister of Planning of Burundi described how his country pursued an active policy of regional integration within the context of such bodies as CEPGL, PTA, ECCAS and the Kagera River Basin Authority (OBK). The country's limited domestic market, its landlocked situation and lack of mineral resources necessitated this subregional approach to industry. Priority had been given to small-scale industry based on local natural resources. Agriculture accounted for 60 per cent of GDP, thus making it essential to integrate agriculture and industry. In the four five-year plans adopted since attaining independence, Burundi had initially introduced import-substitution which had called for a high degree of protection. It was now necessary to adopt a regional focus which would permit greater use of installed capacity. At present, industrial investment accounted for 16.9 per cent of total investments, but the share of industry in the GDP remained low.

65. Burundi had incorporated the objectives of the Decade in its fourth five-year plan (1983-1987). Studies of the three core projects entrusted to Burundi in the subregional programme were at an advanced stage, but their implementation called for considerable funds. Burundi had also established a number of support institutions, related to industrial promotion and project financing. He hoped that specialized agencies such as UNIDO would continue to support the industrial sector in Africa and accord the region highest priority.

Sudan

66. The Head of the Sudanese delegation described how, over the past three years, his country's development plans had been upset by drought and desertification which had also greatly reduced the agricultural sector's role as a source of revenue. He fully supported Africa's Priority Programme for Economic Recovery and its objectives.

67. Despite the current economic crisis, the new Government in the Sudan attached particular importance to the industrial sector, with special attention being devoted to the sugar and leather industries. Policies had also been introduced for the public ownership of certain industries in an endeavour to increase their flexibility. Due attention was also being paid to the promotion of small-scale industries, for the most part on the basis of studies financed by UNIDO. He reiterated the hope that UNIDO would continue to play its primary role and reaffirmed his full support for the Organization and the programme for the Decade.

ADB

68. The representative of the ADB described the contribution of the Bank Group to the industrial sector. He outlined the strategies, policies and programmes it intended to adopt in order to assist member countries in the rehabilitation of the industrial sector, industrial support, subregional industrial co-operation, and the promotion of small-scale industries, training and private entrepreneurship, including a contribution of $1 million to the project preparation facility recently established by IFC, UNDP and the Bank. On the past operations of the Bank, he informed the Conference that cumulative Bank Group lending up to December 1985 had amounted to $6.7 billion, of which 37 per cent (or $2.47 million) had been disbursed. The lending to the industrial sector amounted to $806 million, representing 12 per cent of the total Bank Group lending and 19 per cent of the ADB lending. It was estimated that during 1986 the total loan approval would amount to $250 million, making the cumulative lending to the sector up to 1986 more than $1 billion. The Bank had financed two multinational industrial projects in the region and was a shareholder in three regional development banks.

69. It was expected that during the five-year development programme (1987-1991), industry would be the second-most important sector (after agriculture) and about 25 per cent of the Bank's lending or $1-1.5 billion would probably go to the industrial sector. A major part of that amount would be directed to the small- and medium-scale industries in the productive sector and key service areas. In order to benefit from those resources, the beneficiary State or States would have to submit a request through the appropriate channels, indicating the priority of the project. He indicated that a permanent ADB-UNIDO consultative mechanism had been set up to facilitate co-operation in areas of common interest.

UNDP

70. The Deputy-Director of the UNDP Regional Bureau for Africa described how the partnership that UNDP had established over time with donor and recipient countries had been adjusted to change in the development process. Africa was undergoing structural changes and radical alterations in its social order. Its Governments had to face the new realities associated with co-ordinating external forces so as to reinforce the indigenous developmental process. The special session of the General Assembly had set out a programme of action for the region. Following that, UNDP had called a meeting of all its Resident Representatives in the African region and drawn up a plan of action to respond to the new situation in Africa.

71. He described the roles of the African Government and the UNDP, as well as the executing agencies. There would be increased cost-sharing and joint actions with various partners, and improvements were needed to ensure that the best experts were secured. UNDP was re-establishing regular high-level consultations with executing agencies. It was to be hoped that the current natural disasters would not reintroduce a single-element orientation in what should be a multidimensional interdependent process of development. In the United Nations Programme of Action for Africa's Economic Recovery and Development, the parallel development of the industrial sector was considered essential to supporting efforts in the agricultural sector. Since the UNDP Fourth Cycle Regional Programme coincided almost exactly with the United Nations Programme of Action, he hoped that the Conference would be able to define a clear programme of activities with a timetable for the achievement of the targets set in that Programme.

CEPGL

72. The representative of CEPGL underscored the role of co-operation at the subregional and regional level in achieving self-reliance. The aim of the Community in the industrial sector was to ensure the rational establishment of industries in the Member States, concentrating on integrative projects in the agro-industrial, chemical, forestry and building material subsectors. Those sectors corresponded to the priorities set for the Decade. The current high level of underutilization was due, among other factors, to the low absorptive capacity of limited markets, the lack of purchasing power and the absence of external markets. In the case of the Community, the constraints of a landlocked environment and the fact that two member countries were ranked among the least developed countries, made efficient co-operation with other countries all the more essential.

FAO

73. The representative of FAO referred to the importance of establishing close linkage between industry and agriculture. To that end, the Director-General of FAO had launched a programme of assistance in kind to the agricultural sector. Based on the provision by the industrialized countries of essential tools and fertilizers to the developing countries on concessionary terms, the scheme aimed at stimulating food production in rural areas. It served as an example of the way in which the crisis in the North could be used to good effect to overcome hunger in the South.

Union of African Railways (UAR)

74. The representative of the UAR described the steps taken to co-ordinate, integrate and develop the railway industry in Africa. The establishment of an effective transport infrastructure was a prerequisite for development, and railways were both a generator and consumer of industrial products. The representative summarized the findings of a UAR symposium held in October 1984 on industrial development and the manufacture of railway equipment in Africa. He also referred to the project for the manufacture of rolling stock which was contained in the integrated industrial promotion programme for the West African subregion, and spoke of feasibility studies being prepared for similar projects in other subregions.

ILO

75. The ILO representative reported that more than half of his Organisation's technical co-operation was in Africa, with the main emphasis on manpower training and development. He summarized the scope of the ILO co-operation and assistance programmes with special reference to Africa, and urged the Ministers to take full account of the human and social aspects when planning the industrialization of the region.

VI. Agenda item 5: CONSIDERATION OF THE REPORT AND ADOPTION OF THE RECOMMENDATIONS OF THE MEETING OF INTERGOVERNMENTAL EXPERTS OF THE WHOLE ON INDUSTRIALIZATION IN AFRICA

76. The Chairman of the meeting of Intergovernmental Experts of the Whole on Industrialization in Africa introduced the report of that meeting (document IGE/1986/17/Rev.2) which summarized the experts' findings and presented their conclusions under the respective items of the agenda. The Ministers adopted that report.

77. The Ministers considered a draft resolution submitted to the Conference which had been prepared on the basis of the conclusions reached by the experts under the various agenda items. The resolution was adopted after minor amendments and is cited below in Chapter X.

78. Subsequent to the adoption of that resolution, the representative of the UNDP stressed that involvement of all sources of expertise and capital, and particularly of those who had the capacity and experience, was essential. Organizations, such as FAO, ILO, UNESCO and the whole group of technical agencies of the United Nations, should thus play a role in the industrialization of Africa. In that respect, he re-iterated that UNDP was not confined to providing finance for development activities, but took - and was more than ready to take - an active part in implementing such an important programme as the industrialization of Africa, and particularly in the context of the IDDA.

79. The representative of ADB introduced a draft resolution on the funding of the African Industrial Development Fund (AIDF). The resolution was adopted and is cited below in Chapter X.

VII. Agenda item 6: ANY OTHER BUSINESS

80. The Conference took up the question of the date and venue of its next meeting. OAU, ECA and UNIDO were requested to consult on the date and venue of the next Conference and report thereon to Member States. In that connection, the representative of Kenya indicated that his Government was willing to consider hosting the next Conference at Nairobi and should therefore be included in those consultations. It was decided that should no Member State offer to host the next Conference, it would be held at Addis Ababa, the seat of the headquarters of OAU and ECA.

81. The Ministers also discussed which of the three organizations should be responsible for organizing and convening the Conference in future. They decided that further consultations should be held on that matter before taking a final decision. In that regard, the three secretariats were requested to consult with their respective legislative organs and inform Member States at an appropriate time.

VIII. Agenda item 7: CONSIDERATION AND ADOPTION OF THE REPORT

82. At its final session, the Conference adopted the report which was introduced by the Rapporteur, and authorized the secretariat to finalize it in the light of the amendments.

IX. Agenda item 8: CLOSURE OF THE CONFERENCE

83. At the formal closing session, the Director-General of UNIDO speaking on behalf of the three secretariats, expressed his profound gratitude to the President and people of Burundi for their generous hospitality and efficient manner in which they had organized the Conference. He also paid tribute to the contribution of the Ministers to the Conference in defining the course of industrial development in the region.

84. Speaking on behalf of the host country, the Chairman expressed his particular gratitude to the Ministers for having come so far to discuss the industrialization of the region. He also thanked the intergovernmental experts for their inputs to the Conference and paid tribute to all those who had contributed to the Conference. With the mid-point of the Decade past, the Conference had been able to review progress made in the preparatory phase and discuss the difficult task of implementation that lay ahead. It was a task that Africa could not undertake in isolation, but one that called for close co-operation with the international community. He expressed his thanks for the support that the region had enjoyed thitherto from international, bilateral and multilateral agencies and he looked forward to a continuation of that willingness to help. In conclusion, he thanked the Ministers once again for their active participation and formally declared the Conference closed.

X. AGREED RECOMMENDATIONS

RESOLUTION 1(VIII)
OF THE
EIGHTH CONFERENCE OF AFRICAN MINISTERS OF INDUSTRY

The Conference of African Ministers of Industry meeting at its Eighth session at Bujumbura, Republic of Burundi, from 17 to 19 September 1986:

Recalling resolution 1(VII) on the implementation of the programme for the Industrial Development Decade for Africa adopted at its Seventh session in Addis Ababa, Ethiopia on 28 March 1984;

Recalling further resolution ID/CONF.5/Res.8 adopted by the Fourth General Conference of UNIDO in Vienna on 19 August 1984 and resolution ID/B/Res.57(XVIII) adopted by the Industrial Development Board of UNIDO in Vienna on 28 May 1984 both on the Industrial Development Decade for Africa;

Guided by the Lagos Plan of Action and the Final Act of Lagos adopted in 1980 by the OAU Economic Summit as well as by resolution 442/(XVII) adopted by the ECA Conference of Ministers and United Nations General Assembly resolution 35/66(B), both on the formulation and implementation of the Industrial Development Decade for Africa;

Taking note of the decision of the Industrial Development Board to allocate to UNIDO $8.6 million instead of the $10 million approved by the United Nations General Assembly at its thirty-ninth session, as contained in resolution A/Res.29/233 in its 1986-1987 regular budget, and concerned with the financial constraints being experienced by the organizations of the United Nations system which would make it difficult for the allocation of resources in the respective regular budgets of UNIDO and ECA for the implementation of their Decade-related activities;

Guided by resolution CM/Res.1039-1074(XLIV) adopted by the Forty-Fourth Ordinary Session of the OAU Council of Ministers and endorsed by the OAU Summit at Addis Ababa in July 1986 and by resolution 564(XXI) adopted by the ECA Conference of Ministers at its twelfth meeting and twenty-first session of the Commission at Yaoundé, Cameroon in April 1986;

Considering Africa's Priority Programme for Economic Recovery (1986-1990) adopted by the Twenty-first Summit of the OAU in resolution AHG/Res.136 and the United Nations Programme for Africa's Economic Recovery and Development (1986-1990) adopted by the 13th Special Session of the United Nations General Assembly in resolution S-13/2, both of which critically reviewed the socio-economic problems of Africa, and presented specific measures for restructuring and rehabilitating the economies of African countries;

Recognizing the crucial role that the industrial sector, as a supplier of major factor inputs, has to play within the context of the IDDA programme, in Africa's economic recovery and development as emphasized in Africa's Priority Programme for Economic Recovery and the United Nations Programme for Africa's Economic Recovery and Development;

Noting with satisfaction the mechanisms set up by the Heads of State and Government of the OAU for the implementation of and follow-up to Africa's Priority Programme for Economic Recovery and by the United Nations Secretary-General for the implementation of the United Nations Programme for Africa's Economic Recovery and Development;

Reiterating the region's commitment to transform, through the process of industrialization, the structure of its economies which are currently externally oriented and heavily dependent on external factor inputs;

Having considered the report of the meeting of Intergovernmental Experts of the Whole on Industrialization in Africa which met at Bujumbura, Burundi from 10 to 15 September 1986 and the information provided in the joint progress report by UNIDO, ECA and OAU, and by Member States, African and international organizations on the actions taken at the national, subregional and international levels on the implementation of the Decade programme;

Conscious of the need for African countries and organizations, as well as international organizations to intensify efforts to promote, on a priority basis, the local development of industrial and entrepreneurial capabilities, strengthening, establishment and management as appropriate of small- and medium-scale enterprises; and the development of strategic core industries and support projects with adequate intra- and intersectoral linkages providing essential inputs for agriculture and food production;

Concerned with the persistent economic crisis facing the continent and the serious constraints which hamper the industrial development of the region, encompassing the shortage of required skills and technological capabilities, financial resources and a well integrated network of strategic and core industries necessary for the implementation of the Decade programme;

Emphasizing the need for Member States and African and international organizations to undertake concerted measures to mobilize local and external financial resources for both technical assistance and investment projects;

Welcoming the transformation of UNIDO into a specialized agency of the United Nations system and the decision to convene its Second General Conference at Bangkok, Thailand, in November 1987;

Stressing the need to provide UNIDO and ECA with adequate resources to support the programme for the Decade;

Hereby recommends as follows:

A. IMPLEMENTATION OF THE PROGRAMME FOR THE INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA (IDDA)

(a) Takes note of the Fifth Joint Progress Report presented by the three Secretariats and the information presented by Member States as well as by African and international organizations on actions taken to implement the Decade programme.

(b) **Notes** with appreciation the information provided by specialized agencies and organizations of the United Nations, and appeals to their respective governing bodies to make due provision in their programmes and budgets for activities that will further enhance the industrial development of Africa.

(c) **Further takes** note of the co-operation efforts between the secretariats of ECA, OAU and UNIDO and urges them to intensify such co-operation with a view to ensuring the effective implementation of the programme for the industrialization of Africa.

(d) **Requests**, with regard to the next meetings, that the three secretariats:

(i) Prepare a financial statement on the implementation of the programme for the Decade;

(ii) Describe the progress and impact of projects in that programme, as well as the difficulties encountered during their execution;

(iii) Provide estimates of the magnitude of resources required to implement the programme for the Decade as well as the breakdown per sector; and

(iv) Ensure that the allocation of resources for the biennium (1988/89) correspond to the requirements of the Decade programme.

(e) **Urges** Member States, African and international organizations and the three secretariats to intensify their efforts towards the accelerated implementation of the programme for the Decade during the four years remaining, taking into consideration Africa's Priority Programme for Economic Recovery (1986-1990) of the OAU and the United Nations Programme of Action for African Economic Recovery and Development, the implementation of which will require a substantial contribution from the industrial sector.

(f) **Appeals** to the United Nations General Assembly to provide the ECA with adequate financial resources that will enable it to carry out its activities related to the programme for the Decade, in accordance with ECOSOC resolution E/1985/61 of 26 July 1985.

(g) **Further appeals** to the Industrial Development Board of UNIDO to increase the resources made available to UNIDO for the implementation, co-ordination and monitoring of the Decade programme.

(h) **Invites** financial and investment institutions, especially the ADB and the World Bank to increase the flow of technical assistance and investment resources to the industrial sector in Africa.

(i) **Further invites** the UNDP, bilateral and other multilateral donor agencies to increase the flow of technical assistance resources to facilitate the implementation of the Decade programme.

(j) **Proposes** that in view of the high priority accorded to the industrialization of Africa in the Lagos Plan of Action and the programme for the Decade, Member States, subregional and regional organizations as well as international organizations should endeavour to ensure that the regional IPF for the Fourth Cycle contributes substantially to the accelerated implementation of Decade-related activities.

(k) **Calls** for an independent mid-term evaluation of the implementation of the IDDA programme as decided by the Sixth Conference of African Ministers of Industry in resolution 1(VI) and invites the UNDP to consider financing that evaluation and participate in its implementation in collaboration with the three secretariats of ECA, OAU and UNIDO.

(l) **Calls** for an examination of the activities of the regional institutions such as ARSO, ARCEDEM and ARCT, involved in industrial development in order to streamline their work programmes, minimize any duplication and maximize the use of scarce resources.

(m) **Reiterates** the importance of the African Industrial Development Fund and **urges** all Member States to join and contribute to the Fund so as to facilitate its early operation in line with previous resolutions of the ECA Conference of Ministers, and **invites** international and bilateral donor agencies to contribute generously so as to enable the Fund to become operational; and in this regard **requests** the three secretariats to carry out a study on other means of mobilizing resources for the Fund.

(n) **Reiterates** the need to limit the variety of products and to employ standardization and quality control practices so as to rationalize and improve the quality of production.

B. IMPLEMENTATION OF THE OAU PROGRAMME FOR ECONOMIC RECOVERY (1986-1990) AND THE UNITED NATIONS PROGRAMME FOR AFRICA'S ECONOMIC RECOVERY AND DEVELOPMENT (1986-1990)

(a) **Takes note** of the report on the African economic crisis and African industry and measures for industrial rehabilitation and revitalization.

(b) **Stresses** the importance of the survival measures recommended for the economic recovery and development of Africa, especially in relation to the implementation of Africa's Priority Programme for Economic Recovery 1986 - 1990 and the United Nations Programme of Action for African Economic Recovery and Development 1986-1990; and in this connection **urges** African countries to adopt appropriate economic development policies and strategies that correspond to their particular situations and take account of the agreed objectives, principles and activities of the IDDA within the overall priorities of the two programmes cited above.

(c) **Urges** all Member States, as a priority, to embark on or step up short-term rehabilitation measures, including restructuring the industrial sector, rationalizing existing industries in various subsectors, recycling industrial wastes, improving subcontracting to small-scale industries, improving the criteria for allocation of resources, especially foreign exchange resources for industrialization, and to include the above measures in global structural adjustment programmes.

(d) **Recommends** that Member States should accord high priority to existing key industries and provide them with additional assistance in order to achieve full capacity utilization, and calls on UNIDO, ECA, the World Bank and ADB to provide whatever necessary assistance is requested by Member States to this end.

(e) **Recommends** that medium- and long-term measures at the national, subregional and regional levels should primarily focus on resource-based industries, especially those directly linked to agriculture such as those producing fertilizers, pesticides, metal products, as well as irrigation equipment, agricultural tools and implements, and the associated spare parts and components.

(f) **Welcomes** the advance in laboratory research and development activities related to food processing based on local raw materials, and urges Member States and institutions to make every effort to ensure that subsequent steps necessary for the diffusion and commercialization of results of such activities are taken.

(g) **Appeals** to all Member States to intensify their support for the relevant regional institutions by providing them with adequate financial resources and ensuring effective utilization of their services.

(h) **Requests** the secretariat of the OAU, in association with UNIDO and ECA, to undertake actions aimed at making Member States aware of the financial and other resources needed to implement the objectives of the IDDA as defined in the Lagos Plan of Action and the Final Act of Lagos.

C. ACTIVITIES FOR THE IMPLEMENTATION PHASE (1985-1990) OF THE PROGRAMME FOR THE DECADE

I. Preparation and promotion of investment projects

(a) **Takes** note with appreciation of the report prepared by UNIDO as well as information presented by other organizations on their activities relating to the preparation and promotion of investment projects, endorses the recommendations contained in the UNIDO document and invites African countries and organizations to take greater advantage of those activities.

(b) **Stresses** the importance of proper project preparation which is essential to the mobilization of investment resources. To that end, UNIDO, UNDP, AIDO, ADB, the World Bank and other relevant international and African organizations, including NGOs, should intensify and increase their assistance to African countries and organizations. With regard to the process of selection and quality of experts and consultants, UNIDO is urged to give special attention to the particular needs of African countries.

(c) **Calls upon** UNIDO to revise its Manual on the Preparation of Industrial Feasibility Studies with a view to simplifying and integrating it with the Manual for Industrial Project Evaluation prepared jointly with AIDO and to make the revised version available to relevant institutions in Africa; furthermore, to convene a working group of all international and regional institutions providing assistance to African countries in project identification and preparation, especially the World Bank, ADB and AIDO, in order to harmonize the approaches and techniques adopted by those organizations.

(d) **Urges** all Member States and African organizations to strengthen their capabilities for project preparation, management and monitoring with a view to facilitating the utilization of technical assistance and investment resources for the implementation of industrial projects.

(e) **Urges further** all Member States to strengthen or establish new national mechanisms to ensure a more effective promotion of industrial investment and support projects, and calls upon UNIDO to intensify its investment promotion activities in Africa, including the provision of assistance in the preparation of investment project profiles.

(f) **Appeals** to the international community, multilateral funding agencies, especially the ADB and the World Bank, as well as other bilateral and multilateral financing institutions and development foundations to increase the flow of investment and technical assistance resources to the industrial sector in Africa on concessional terms.

(g) **Welcomes** with appreciation the positive contribution of the Polish Chamber of Foreign Trade in the development of the metallurgical industry in Africa and urges all African countries to participate in AFROMET '87. In this regard, calls upon UNIDO and the authorities of the Polish Chamber of Foreign Trade to facilitate the participation of experts from African countries and organizations, by providing them with the necessary assistance.

(h) **Welcomes** the facilities currently available in the ADB and the World Bank with regard to the provision of lines of credit and project preparation assistance to small- and medium-scale indigenous agents of production and distribution, and requests these institutions to provide Member States with comprehensive information on the content and use of such facilities.

II. <u>Measures to enhance the role of indigenous agents of production, distribution and support services, as well as NGOs in the implementation of the programme for the Decade</u>

(a) **Takes note** with appreciation of the reports prepared by ECA as well as of the information presented by Member States and some organizations on measures to enhance the role of indigenous agents of production, distribution and support services for the implementation of the programme for the Decade.

(b) **Takes note** of the report of the first African symposium on small- and medium-scale enterprises organized by AADFI and WASME at Morocco in 1986, endorses the recommendations of the symposium and calls upon African countries and organizations to undertake, with the assistance of UNIDO, ECA, ADB, the World Bank and other relevant donor agencies and international non-governmental organizations, the necessary measures, including fiscal and financial policies and incentives and creation of training facilities, for the development and promotion of small- and medium-scale enterprises and entrepreneurial capabilities.

(c) **Takes note** also of the report of the forum on the involvement of NGOs in the implementation of the programme for the Decade convened by AADFI and UNIDO at Abidjan, Côte d'Ivoire, in August 1985, and endorses the recommendations of that forum.

(d) **Endorses** the recommendations of the regional workshop on the role of indigenous agents of production and distribution and support services in the accelerated implementation of the IDDA and calls upon Member States to translate those recommendations into concrete actions.

(e) **Stresses** the paramount role of the indigenous agents of production and distribution and support services in the implementation phase of the IDDA, as these agents are involved in every aspect of industrial activities, including project preparation, production technology, financing and marketing.

(f) **Stresses** the importance of standardization and quality control as well as the need to integrate industrial marketing and trade policies in the promotion of industrial co-operation among Member States, and invites Member States to pay special attention to improving the quality of industrial products, especially those originating from medium- and small-scale industries, by creating adequate machinery for quality control and product certification so as to improve their competitiveness and maximize foreign exchange earnings. In this regard, stresses the need for the adoption of relevant African regional standards and of measures to improve local technologies, especially in intensifying applied research.

(g) **Urges** African Governments and organizations to increase the involvement of national, subregional and regional NGOs in the preparation and execution of their industrial programmes and projects.

(h) **Urges** UNIDO and UNDP as well as ADB, the World Bank, and other relevant African and international financial institutions to increase the use of African NGOs and consultancy organizations, as appropriate, in the preparation and execution of the projects they finance in Africa.

III. Strengthening of African industrial co-operation

(a) **Endorses** the revised integrated industrial promotion programmes for Central and West Africa along with the proposed measures for their implementation, decides to include the project relating to the rehabilitation of the sugar industry in Angola in the revised programme for Central Africa, and urges UNIDO to ensure that the subregional meetings planned for the Eastern/Southern African and Northern African subregions are held so as to permit the review and revision of the initial integrated industrial promotion programme for those subregions and to make resources available for the organization of future subregional meetings.

(b) **Takes note** of the joint UNIDO, ITU and PATU programme for the manufacture of telecommunications equipment in Africa, encourages African countries to co-operate in the implementation of that programme and appeals to financial institutions, donors and United Nations development agencies to support the development of the telecommunications industry in Africa.

(c) **Stresses** the need to accord priority to projects involving the rehabilitation and restructuring of key industries and to integrate further the projects within the framework of national policies and programmes, industrial and sectoral surveys, which should be harmonized in order to minimize duplication.

(d) Urges Member States to accord particular importance to the creation and/or strengthening of African engineering and technical capacities which constitute one of the fundamental prerequisites for the successful implementation of industrial projects.

(e) Calls on OAU, ECA and UNIDO to provide Member States with all the necessary assistance for harmonizing, on a subregional and regional basis, industrialization policies so as to avoid unnecessary competition and to benefit from complementarities in the industrial field.

IV. TCDC and the implementation of the programme for the Decade

(a) Takes note of the reports presented by ECA and UNIDO highlighting the importance of TCDC in the implementation of the Decade programme; welcomes the efforts made by Member States and the secretariats to promote TCDC/ECDC in the industrial field among African countries and their regional institutions as well as between them and developing countries and their associated regional institutions, to facilitate the implementation of the programme for the Decade, and endorses the recommendations proposed by the secretariats in the background documents.

(b) Stresses the importance of the TCDC/ECDC approach in developing industrial capacities and capabilities required for self-reliant and self-sustained growth and development, and recommends it to the African Ministers of Industry as an essential strategy for implementing the programme for the Decade.

(c) Stresses further the importance and usefulness of Solidarity and Round-table Ministerial Meetings, calls upon UNIDO to intensify and expand the programme in favour of more countries in Africa and to carry out an evaluation of the programme, with a view to introducing appropriate improvements, including the establishment of suitable follow-up mechanisms not only in the donor and recipient countries, but also in UNIDO.

(d) Welcomes the convening of the Afro-Asian co-operation meeting, urges all African countries to participate actively in the meeting and requests UNIDO to provide information to all participating countries on the final arrangements, including the meeting of the African participants in New Delhi a few days before the meeting, as recommended by the OAU Council of Ministers, that being considered an important aspect of the meeting.

(e) Appeals to donor countries, financial institutions and relevant international organizations, especially UNDP, to provide the necessary resources to African Governments, subregional/regional institutions and economic groupings dealing with industrial matters so as to facilitate TCDC/ECDC arrangements which will assist in the implementation of the IDDA.

(f) Urges African Governments, the relevant subregional/regional institutions and economic groupings to take the necessary initiatives to promote South-South co-operation in the industrial field within the priorities of the African Priority Programme for Economic Recovery and the United Nations Programme of Action for Africa's Economic Recovery and Development, and in line with the provisions of the programme for the IDDA.

D. UNIDO AS A SPECIALIZED AGENCY

(a) **Endorses** the new orientation being given to UNIDO as a result of its conversion into a specialized agency, thus enhancing its central co-ordinating role within the United Nations system on matters related to industry, in particular, the priority being accorded to technical co-operation activities, development of industrial manpower, the System of Consultations, small- and medium-scale industries, industrial rehabilitation, investment promotion, development of technological capabilities, technical co-operation among developing countries and the greater involvement of non-governmental organizations and integration of women in the industrialization process.

(b) **Reiterates** the priority accorded to the UNIDO System of Consultations and urges all African countries and organizations to participate actively in the meetings organized within the framework of that System. In this connection, UNIDO is urged to organize regional consultation meetings in Africa relating to capital goods, industrial training and industrial financing over the period 1987 to 1989. UNIDO is further requested to facilitate the participation of African participants in the consultation meetings. In this regard, takes note of the ILO programme of industrial and related sectoral activities and encourages the Ministers of Industry to actively participate in that programme.

(c) **Welcomes** the UNIDO special programme of technical advisory services developed within the framework of the IDDA and calls upon UNIDO to accord priority to that programme in its programme for the Decade. The meeting urges all African countries and organizations to take full advantage of that programme and invites donor countries and organizations to give technical and financial support to UNIDO for the expansion and implementation of that programme.

(d) **Takes** note of the report of the Expert Group Meeting on Women in Agro-Industries held in Vienna in November 1985 as part of UNIDO's programme to promote the integration and participation of women in industrial development, endorses the recommendations of that meeting, and calls on UNIDO, in co-operation with the ECA and other relevant United Nations organizations, to take all necessary steps to implement those recommendations, including the organization of an African regional meeting to define a practical programme specifically aimed at helping African women to overcome the constraints inhibiting their full contribution to industrial development, especially in agro-industries.

(e) **Calls** on UNIDO to pay particular attention to the needs of the African countries, especially the least developed countries, and to continue to accord priority to the Industrial Development Decade for Africa.

(f) **Attaches** particular importance to the Second General Conference of UNIDO as a specialized agency, the agenda of which should include:

(i) The Industrial Development Decade for Africa;
(ii) The contribution of UNIDO to the restructuring and rehabilitation of African industry, as well as the negotiation of new industrial projects;
(iii) Development of human resources and technological capabilities for industrial development;

(iv) Industrial financing;
(v) The System of Consultations;
(vi) Institutional arrangements.

(g) **Recommends** that the Industrial Development Board of UNIDO establish a working group of Member States to prepare, with the assistance of the UNIDO Secretariat, each of the agenda items of the Conference.

(h) **Recommends** that a special session of the Conference of Ministers, preceded by a meeting of intergovernmental experts, be held to prepare the African common position for the Second General Conference of UNIDO (November 1987), at a date to be determined following consultations among the three secretariats and the Chairman of the Conference of Ministers.

(i) **Requests** the secretariats of ECA, OAU and UNIDO to prepare and present to the meeting of intergovernmental experts proposals on the basis of the agenda for the Second General Conference to be established by the Industrial Development Board of UNIDO.

E. PUBLICITY AND PROMOTION OF THE IDDA

(a) **Notes** with appreciation measures taken to publicize the IDDA not only within Africa but also without and calls upon UNIDO as well as ECA and OAU to intensify their Decade-related promotional activities, directing them towards well-defined target groups and basing them on properly prepared programmes, and requests UNIDO to reproduce and distribute widely to African countries, organizations, educational institutions and other target groups the film on the IDDA.

(b) **Calls** upon African countries and organizations to undertake appropriate measures in order to mobilize radio, television and other mass media for the promotion of the IDDA among decision-makers not only in Governments, industries and the business community, but also in educational institutions and the population at large including the rural areas. In this connection, UNIDO, ECA and OAU should provide the necessary assistance to the African countries and organizations.

(c) **Recommends** the proclamation of an "African Industrialization Day" which should be commemorated each year by all African countries and requests the secretariats of ECA, UNIDO and OAU to carry out a study on the implementation of this recommendation, taking into consideration the experience of FAO in the commemoration of its "World Food Day", and to present a report to the Ninth Conference of African Ministers of Industry on the matter, including the detailed financial implications it bore for Member States and the three organizations. The three secretariats should also study the possibility of issuing special postage stamps commemorating the IDDA.

(d) **In view** of the paramount importance of creating greater awareness both within Africa and without on the contribution of industry to the implementation of the Lagos Plan of Action, Africa's Priority Programme for Economic Recovery (1986-1990) and the United Nations Programme for Africa's Economic Recovery and Development, **appeals** to UNDP to allocate, within the framework of the proposals submitted by UNIDO for a support programme for the IDDA, funds from the regional IPF for publicizing the IDDA.

F. GENERAL RECOMMENDATIONS

(a) **Recognizes** the important role of public enterprises in the implementation of the Decade programme and calls upon Member States to undertake appropriate measures for strengthening those enterprises in order to enhance their efficiency, including their capacities for planning, management, production and marketing.

(b) **Stresses** the need for effective follow-up and monitoring of the decisions and recommendations of the Conference of African Ministers of Industry and requests the secretariats of UNIDO, OAU and ECA to continue to prepare annual progress reports which should include an indication of the results achieved and constraints encountered in the implementation of the programme for the Decade, and those reports should be presented to the Conference of African Ministers of Industry for evaluation and further directives.

(c) **Reaffirms** the need for the Conference of African Ministers of Industry to meet every two years and recommends that the Ministerial Follow-up Committee on Industrialization in Africa be replaced by an Intergovernmental Committee of Experts in view of the financial constraints encountered in organizing meetings of the Follow-up Committee.

(d) **Recommends** the proclamation of a second IDDA in order to accelerate further the industrialization of Africa launched during the first Decade, and requests the secretariats of UNIDO, ECA and OAU, after appropriate evaluation of the first Decade, to undertake, in consultation with Member States, African organizations and relevant United Nations agencies, the preparation of a programme for that Decade which should be submitted to the Tenth Conference of African Ministers of Industry and to provide a progress report to the Ninth Conference.

RESOLUTION 2(VIII)
OF THE
EIGHTH CONFERENCE OF AFRICAN MINISTERS OF INDUSTRY

Funding of African Industrial Development Fund (AIDF)

The Conference of African Ministers of Industry meeting at its Eighth session at Bujumbura, Republic of Burundi, from 17 to 19 September 1986:

Recalling its resolution 8(V) inviting ECA, OAU and the ADB to co-operate in the design and organization of the African Industrial Development Fund;

Noting that Member States have already ratified the agreement on establishing the Fund;

Concerned that the Fund has not started operations for want of contributions on the part of Member States;

Considering the need for funding the pre-investment studies of subregional core projects identified under the IDDA necessary to achieve the objectives of the Lagos Plan of Action;

Requests the African Development Bank to explore possibilities of mobilizing from multilateral and bilateral sources an initial amount of US$15 million so as to enable the Fund to become operational.

ANNEX I

AGENDA

1. Opening of the Conference

2. Election of officers

3. Adoption of agenda and organization of work

4. Statements by Heads of Delegations

5. Consideration of the report and adoption of the recommendations of the meeting of Intergovernmental Experts of the Whole on Industrialization in Africa relating to:

   (a) Progress in the implementation of the programme for the Industrial Development Decade for Africa (IDDA)

   (b) African economic crisis and African industry - challenge and response

      (i) Implementation of the OAU declaration on economic matters

      (ii) Measures to be taken by UNIDO as a specialized agency, including its System of Consultations and technical advisory services, to support the industrial development process in Africa

   (c) Priority activities for the implementation phase (1985-1990) of the Decade

   (d) Publicity and promotion of the IDDA

6. Any other business

7. Consideration and adoption of the report, conclusions and recommendations of the meeting

8. Closure of the Conference